



CITY COUNCIL AGENDA REPORT

Supplemental Memo

MEETING DATE: APRIL 20, 2021

ITEM NUMBER: PH-1

SUBJECT: GIVE FIRST READING TO AN ORDINANCE TO ADOPT CODE AMENDMENT CO-2021-01 TO AMEND TITLE 13 (PLANNING, ZONING, AND DEVELOPMENT) AND AN ORDINANCE TO AMEND TITLE 9 (LICENSES AND BUSINESS REGULATIONS) OF THE COSTA MESA MUNICIPAL CODE REGARDING THE TAXATION, REGULATION, OPERATING REQUIREMENTS AND STANDARDS FOR CANNABIS USES INCLUDING RETAIL CANNABIS STOREFRONT AND NON-STOREFRONT USES TO IMPLEMENT THE CITY OF COSTA MESA RETAIL CANNABIS TAX AND REGULATION MEASURE (MEASURE Q)

DATE: APRIL 20, 2021

FROM: DEVELOPMENT SERVICES DEPARTMENT/ PLANNING DIVISION

PRESENTATION BY: NANCY HUYNH, ASSOCIATE PLANNER

**FOR FURTHER INFORMATION
CONTACT:**

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Attached is a list of recommendations from the City Council's Cannabis Ad Hoc Committee, pertaining to the retail cannabis Ordinance, Item PH-1.

Ad Hoc Committee Recommendations

1. No distance buffers shall be required between Measure Q businesses.
2. Youth Centers shall be defined as “any public or private facility that is primarily used to host recreation or social activities for minors, specifically private youth membership organizations or clubs, social service teenage club facilities, video arcades where 10 or more video games or game machines or devices are operated, or similar amusement park facilities”. [Potential additional language would be inserted here.] Buffer distance shall be 600 feet.
3. Social equity. Adopt staff’s recommendation to eliminate felonies convictions that have been downgraded to misdemeanors or decriminalized under Proposition 64 or future Federal law. Direct City Manager to develop a robust social equity program with reference to the Minority Cannabis Business Association’s publications. Direct staff to pursue all available grant funding to implement social equity program.
4. There should be no exception to the distance measurement methodology due to “impenetrable barriers” such as the 405 Freeway.
5. “Premises” as defined in Business & Professions Code section 26001(ap), shall define the property line for purposes of measuring the required distance from retail storefronts to sensitive uses as defined in the ordinance.
6. For Playgrounds, a 30 foot radius as measured from the physical boundaries of the playground equipment area shall be treated as the property line of the playground for purposes of measuring the required distance from retail storefronts.
7. “Playgrounds” shall be defined as public playgrounds located in city parks.
8. Set tax rate at 7% with 0.5% directed toward implementation of the Arts Master Plan and 0.5% directed toward the implementation of a first-time homebuyer program for Costa Mesa residents and/or students who graduate from NMUSD high schools. In other words, 1/7 of all revenue will go to these expenses.
9. All cannabis business permits will require a CUP except home delivery permits for existing Measure X permittees, which will require an MCUP.
10. If an illicit cannabis dispensary has existed on a property, no Measure Q business shall be permitted on the property until 180 days have elapsed since the illicit dispensary has vacated the property and the owner of the property has compensated the City for all expenses incurred regarding enforcement related to the illicit cannabis business, provided however, that if the owner of the property is required to evict the illicit dispensary, the 180-day period shall run from the filing of an Unlawful Detainer complaint and a permit may be issued after that 180 day period has run if the illicit dispensary is no longer occupying the premises.